

Message Text

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64

ACTION EB-06

INFO OCT-01 ARA-10 EUR-12 ISO-00 CIAE-00 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-02 RSC-01 PRS-01 SP-02 SS-15

USIA-15 AGR-10 AID-05 CEA-01 CIEP-02 COME-00 FRB-01

OMB-01 STR-04 TAR-01 TRSE-00 SWF-01 IO-10 SIL-01

LAB-03 /121 W

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R 082130Z NOV 74

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC 6800

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

AMEMBASSY MEXICO

AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY LONDON

AMCONSUL RIO DE JANEIRO

UNCLAS SAN SALVADOR 4451

E.O. 11652 - N/A

TAGS: EAGR, ETRD, ES

SUBJ: COFFEE: 1974/75 HARVEST REGULATIONS PROMULGATED

1. THE SALVADORAN NATIONAL COFFEE DEPARTMENT (DNC) PUBLISHED ITS "REGULATIONS FOR THE 1974/75 COFFEE HARVEST", CONTAINED IN DNC RESOLUTUION 133 DATED NOV 4, IN THE PRESS OF NOVEMBER 8. THE PUBLICATION MAY HAVE PRECEDENT BUT NOT IN RECENT YEARS AND NO DOUBT REFLECTS THE GOVERNMENT'S CONCERN OVER CRITICISMS THAT 1973/74 COFFEE POLICY WAS ARBITRARY AND UNJUST. THE PUBLICATION ALSO COINCIDES WITH CONSIDERATION OF A BILL TO RESTRUCTURE THE DNC. A SUMMARY OF THE RESOLUTION'S MAJOR POINTS FOLLOWS WITH THE COMPLETE TEXT POUCHED TO EB/TRP.

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2. THE RESOLUTION: A) DECLARES ADHERENCE TO THE "WORLD GROUP OF PRODUCERS" RETENTION QUOTAS OF 10 PERCENT LAST YEAR AND 20 PERCENT FOR 1974/75, COVERING SOLUBLE COFFEE AS WELL;
B) ESTABLISHES A REPORTING SYSTEM TO THE DNC FOR THE 1974/75 HARVEST BY COFFEE FARM WITH A DEADLINE OF JUNE 30, 1975;
C) ESTABLISHES EXPORT REQUIREMENTS (INTER ALIA -- REGISTRATION OF EXPORT CONTRACTS, CONFORMITY WITH QUARTERLY QUOTAS, CERTIFICATION OF COMPLIANCE WITH 20 PERCENT RETENTION);
D) ESTABLISHES THE FOLLOWING QUARTERLY EXPORT QUOTAS: OCTOBER/DECEMBER- 15 PERCENT, JAN/MARCH - 25 PERCENT, APR/JUNE - 20 PERCENT, AND JULY/SEPT - 20 PERCENT (NOTE: QUOTAS BELONG TO THE PRODUCER BUT RESPONSIBILITY LIES WITH THE EXPORTER);
E) THE ABOVE QUOTAS CAN BE INCREASED SHOULD THE WORLD PRODUCERS RELEASE PART OR ALL OF THE RETENTION, BUT IN ANY "LIBERATION" PREFERENCE WILL BE GIVEN TO THE SALVADORAN COFFEE COMPANY (CSC) WHICH STILL HOLDS THE 10 PERCENT RETENTION FROM LAST YEAR;
F) UNUSED QUARTERLY QUOTA MAY BE CARRIED OVER INTO SUBSEQUENT QUARTERS OF THE SAME COFFEE YEAR.
G) THE DNC WILL EXERCISE CONTROL OF QUALITY AND THE TEMPORARY RETENTION QUOTAS THROUGH THE FACILITIES OF THE CSC;
H) MILLS AND EXPORTERS MUST SUBMIT STATISTICAL REPORTS TO THE DNC WITHIN THE FIRST THREE DAYS OF THE WEEK COVERING THE PRIOR WEEK'S ACTIVITY;
I) DNC WILL INSPECT WAREHOUSES, MILLS AND ROASTING PLANTS;
J) COMPLIANCE: FAILURE TO COMPLY WITH THE RESOLUTION CAN RESULT IN LOSS OF REGISTRATION AS EXPORTER; FURTHER, AN EXPORTER HAVING LESS COFFEE ON HAND ON SEPT 30, 1975 THAN ACCOUNTED FOR BY HIS REPORTS CAN LOSE HIS EXPORT PRIVILEGE FOR UP TO THREE YEARS.

3. COMMENT: THE RESOLUTION SEEKS TO RECTIFY AND IMPROVE INADEQUACIES IN COFFEE MARKETING OPERATIONS. THE CSC HAS BEEN HAMPERED BY A LACK OF TIMELY STATISTICS AND THESE NEW REQUIREMENTS SHOULD OVERCOME THAT PROBLEM. MILLERS AND EXPORTERS COMPLAINED THAT APPLICATION OF QUARTERLY QUOTAS LAST YEAR, WITHOUT THE OPERATION OF THE ECONOMIC CLAUSES OF THE ICA, WAS ILLEGAL. WITHOUT MAKING A LEGAL EVALUATION IT APPEARS THAT THE ISSUANCE OF THIS RESOLUTION ATTEMPTS TO REDRESS THAT CRITICISM. MOST SIGNIFICANT IS THE OFFICIAL, PUBLIC ADHERENCE TO THE WORLD PRODUCERS GROUP'S RETENTION PROGRAM AND THE SAFEGUARDS TO ENFORCE THE POLICY.

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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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30 JUN 2005

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